

Owner-Contractor Agreement

Once the Owner and Contractor agree upon the scope of the Contract Documents and associated cost to perform the work, an agreement is prepared between the Owner and Contractor (Single Prime General Contractor). Prior to being executed, the Owner-Contractor agreement shall be submitted to the Minnesota Housing Finance Agency (Minnesota Housing) for review and approval.

Purpose: Reflects the goals and needs of the Owner and Contractor as established in the Contract Documents. It states the contract sum and its basis, describes the work, specifies the time of commencement and completion, and provides for payment to the Contractor. It also includes other provisions and incorporates by reference a number of other documents related to the work and makes them part of the contract.

Requirements:

1. The Owner-Contractor agreement shall be the **American Institute of Architects (AIA) A101-2007 Stipulated Sum Agreement**, or another industry standard form of agreement approved by Minnesota Housing, that when fully completed and executed is acceptable to Minnesota Housing in form and substance.
2. The **AIA Document A201-2007, General Conditions of the Contract for Construction** shall accompany the Owner-Contractor agreement. This may be done by reference. Any modifications or extension of the general conditions shall be via supplementary conditions.
3. The Owner-Contractor agreement must state the date of commencement of the work and the date the Contractor shall achieve substantial completion of the entire work.
4. The Owner-Contractor agreement must stipulate a contract sum (lump sum) the Owner shall pay the Contractor for the Contractor's performance of the contract and all alternates, if any, and/or unit prices, if any, the contract sum is based upon.
5. Minnesota Housing permits one progress payment per month. The amount of time needed to process each progress payment will vary depending on many variables including funding characteristics. Minnesota Housing strives to minimize processing time for each progress payment. The Owner and Contractor shall agree on a reasonable time for processing progress payments that is acceptable to Minnesota Housing and other funders. Normally thirty (30) days.
6. The Owner-Contractor agreement shall require **ten percent (10%)** retainage be withheld from each progress payment for work completed and materials presently stored. A provision for possible reduction or

limitation of retainage may be included in the agreement. It shall state as follows: "If agreed by Owner and Minnesota Housing at 50 percent completion (by dollar volume) further retainage may cease resulting in retainage equal to 5 percent of the contract sum upon completion of the contract."

7. The Owner-Contractor agreement shall reference all specifications contained in project manual, drawings, addenda (if any), and any other documents forming part of the Contract Documents.